DOCUMENT RESUME

ED 426 125 UD 032 554

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TITLE	Emotional Health Services for Children, Youths: Coordinated Care, Insurance Coverage Needed. Growing Up Well. Focus on Prevention.
INSTITUTION	California Center for Health Improvement, Sacramento.
SPONS AGENCY	California Wellness Foundation.
PUB DATE	1998-00-00
NOTE	6p.; For the entire 8-part series, see UD 032 549-556.
PUB TYPE	Reports - Descriptive (141)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	*Adolescents; *Children; *Coordination; Financial Support; *Health Insurance; *Mental Health Programs; Policy Formation; *Public Opinion; Public Policy; Surveys; Taxes
IDENTIFIERS	*California

ABSTRACT

This report, sixth of a series of eight, focuses on the emotional health and well-being of children and youths. It discusses the prevalence of mental health problems among young people, development of mental health systems of care, and mental health benefits as a part of health insurance coverage. The California Center for Health Improvement asked California adults about how much they worried about mental health problems among children and youths in their community, and 65% of adults surveyed and 70% of parents were somewhat to very worried. Eleven percent of parents surveyed also reported having had a problem obtaining mental health services for their children. Researchers and clinicians agree that systems of care are needed to coordinate public and community-based mental health services for children and youths, including mental health assessment, early intervention, case management, crisis intervention, outpatient and inpatient care, school-based day treatment, in-home services, and family support. Some of the programs in California that are operating to meet these needs are described. Survey results show that California adults support expanded health insurance coverage and increased public funding to promote access to mental health services. Policy recommendations center on the coordination of services for children and youth, better health insurance coverage for mental health services, enrollment in Medi-Cal (medical assistance) for all eligible children and youths, implementation of the proposed Healthy Families program, and increased tax funding for mental health services. (Contains 2 tables and 14 references.) (SLD)

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Emotional Health Services for Children, Youths: Coordinated Care, Insurance Coverage Needed.

Growing Up Well
Focus on Prevention

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UD032 554

Emotional Health Services for Children, Youths: Coordinated Care, Insurance Coverage Needed

by Areta Crowell, Ph.D.

National estimates indicate between 11 and 20 percent of American children and adolescents have diagnosable emotional or behavioral health disorders. Among these are such conditions as anxiety disorder, attention deficit disorder, depression and schizophrenia. Mental disorders are the second leading cause of disability for young adults (1). Major depression is the single leading cause of disability worldwide for adults — greater than traffic accidents or heart disease (2).

The California Center for Health Improvement's (CCHI) *Children and Youth Survey* asked California adults about the extent to which they are worried about depression, suicide or mental health problems among children and youths who live in their community. Nearly two-thirds of California adults, 65 percent, and 70 percent of parents surveyed said they are somewhat to very worried. Eleven percent of parents surveyed also reported having had a problem obtaining mental health services for their children (3).

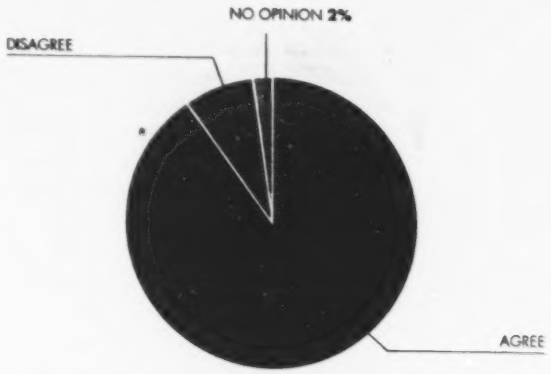
ABOUT THIS REPORT

Public awareness about the importance of mental health services has grown in recent years as scientific research has revealed the biological bases of mental illness, various forms of mental health treatment have proven to be effective, and public education efforts have helped reduce the stigma long associated with mental illness. This sixth of eight reports in the *Growing Up Well* series focuses on the emotional health and well-being of children and youths. It discusses the prevalence of mental health problems among young people, development of mental health *systems of care*, and mental health benefits as a part of health insurance coverage. California adults are worried about the emotional health of children and youths in their community and support expanded health insurance coverage and increased public funding to promote access to mental health services.

TABLE 1

Widespread Voter Support for Mental Health Parity in Health Insurance

Mental illnesses, such as depression or schizophrenia, should be covered by health insurance plans in the same way diseases such as diabetes, asthma and other chronic physical diseases are covered. Do you agree or disagree?



Source: *Children and Youth Survey*, The Field Institute, October–November 1997.

Mental Illness and Children

Research shows that unrecognized or untreated mental and emotional disorders place young people at greater risk for school failure and dropout, drug use, risks of HIV transmission and other difficulties (1). Almost half of students with serious emotional disorders drop out of school between grades 9 and 12, and 20 percent are arrested at least once before leaving school. Moreover, major depression, if untreated, can lead to suicide. Each year nearly 5,000 young people ages 15 to 24 commit suicide nationwide (1).

Children and youths experiencing mental health problems can be withdrawn, anxious or depressed, show aggressive and delinquent behaviors, or have attention and thought disorders. School-based programs, such as California's AB 3632 program for seriously emotionally disturbed (SED) children, identify many children with mental health problems. However, many others do not have their mental health needs identified until

they enter the juvenile probation or child welfare systems. Aggressive, acting out and delinquent behaviors are frequently the result of mental disturbance for children entering local juvenile probation programs. National data indicate between 43 and 70 percent of abused and neglected children entering child welfare systems have mental health problems severe enough to require treatment (1).

In Los Angeles County, more than 41,000 children under age 17 received publicly funded mental health services in 1996–97. Nearly 40 percent of children served by the county were also under the care of child welfare or juvenile probation programs and 14 percent were identified as seriously emotionally disturbed by schools (4).

Coordinated Systems of Care

Researchers and clinicians agree that *systems of care* are needed to coordinate public and community-based mental health services for children and youths, including mental health assessment, early intervention, case management, crisis intervention, outpatient and inpatient care, school-based day treatment, in-home services and family support. While private health insurance has historically covered some mental health services, public agencies have played the primary role in serving children with serious mental health problems.

Responsibility to address mental health needs of seriously emotionally disturbed children and youths has grown for public mental health, education, probation and child welfare systems over the past several years. As a result, interagency collaboration to develop coordinated, cost-effective systems of care for young people has grown. In 1984, California began testing the Systems of Care Model. The AB 377 model, now operating in 36 counties, has been adopted for statewide implementation.

Significant reductions in out-of-home care and juvenile justice re-arrests, and significant improvements in educational achievement have been achieved through the Systems of Care Model (5). For example, in San Mateo County the Model has operated for more than five years and outcomes include:

- Reduced out-of-home placements, saving over $5 million per year compared to average per capita group home costs statewide;
- Improved school attendance by 82 percent for children with school attendance problems;
- Reduced recidivism in the juvenile justice system by 80 percent, both in terms of arrests and combined misdemeanors and felonies; and
- Reduced aggressive and withdrawal behaviors and attention problems of children with the lowest levels of functional ability (6).

Expansion of the Systems of Care Model in all 58 California counties depends upon additional state funding. The State Department of Mental Health estimates expansion to all counties would cost an additional $21 million (7). However, Los Angeles County estimates the cost of full implementation in that county alone would be $25 million (8). Three in four California adults surveyed by CCHI's *Children and Youth Survey* said they are willing to pay more in taxes for mental health services for children and families in their community (3).

Health Coverage for Mental Illness

According to a 1992 statewide survey, 64 percent of California families who reported their child received mental health services in the prior year said their child's treatment was from either all private or mostly private sources (9). Recognizing the importance of mental health benefits as a part of health insurance coverage for children and adults, CCHI's *Children and Youth Survey* asked California adults if mental illnesses, such as depression or schizophrenia, should be covered by health insurance plans in the same way as diseases such as diabetes, asthma and other chronic physical diseases are covered. Showing broad agreement, 90 percent of registered California voters surveyed said parity of this type between mental health and physical health coverage should be provided (table 1, page 1).

Health Insurance and Mental Health Benefits

Studies show that the amount of the health insurance premium dedicated to mental health services in a typical health plan is small. For example, mental health benefits account for less than five percent of the value of a child's health coverage in the Federal Employee Health Benefits Program (10). Moreover, a recent study found the amount of health insurance premium dedicated to behavioral health benefits in standard health insurance coverage is declining. The amount dedicated to behavioral health benefits dropped from 6.1 to 3.1 percent between 1988 and 1997 (table 2).

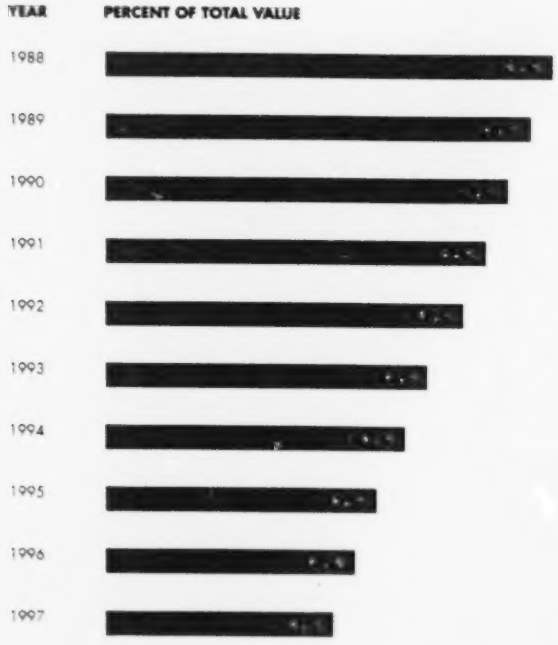
The 1996 federal Mental Health Parity Law forbids insurers who offer mental health benefits as a part of health insurance coverage to impose lifetime limits on mental health care or limits on annual reimbursements that differ from those imposed on other medical conditions. However, the law does not require insurers to provide equal levels of coverage — parity — between mental health and physical health benefits with regard to treatment or service levels, deductibles or copayments. Disparities between physical and mental health benefits in these areas are common in private health coverage. Federal legislation, H.R. 3568 (Roukema), has been introduced recently to address these disparities. Currently, California is considering mental health parity legislation as are the states of Louisiana, Tennessee and Arizona (11).

In light of California's strong emphasis on managed care, two recent studies indicate the cost of parity for mental health benefits may be small. One study, which considered removing an annual limit of $25,000 on mental health benefits, estimated the cost would not be greater than $1 per year per enrollee, and indicated expanded benefits would most help children (12). A second study estimated that the combined cost of providing mental health and substance abuse services in private health insurance plans that manage the care would increase insurance premiums less than one percent (13). Small businesses appear concerned about coverage for mental health services. The California Chamber of Commerce released findings from a recent survey which showed a majority of small business members surveyed support legislation that would mandate mental health coverage be included in their health insurance plans even if it increased the cost of their insurance premiums (14).

Early and Periodic Screening Diagnosis and Treatment (EPSDT)
Under the federal Medicaid program, the Early and Periodic Screening Diagnosis and Treatment (EPSDT) requirements are designed to promote delivery of healthcare services which address the developmental and mental health needs of children and youths. California's Child Health and Disability Prevention (CHDP) program, the state's EPSDT program, did not fully implement these federal requirements until 1995, when implementation began as a result of litigation. Now underway, statewide implementation of the requirements is helping to address the mental health needs of many Medi-Cal eligible children. However, EPSDT resources have not yet been used to fully support a comprehensive, coordinated mental health assessment process for all Medi-Cal eligible children and youths entering the mental health, child welfare or juvenile probation systems.

TABLE 2

Behavioral Healthcare Costs as a Percent of Total Healthcare Costs, 1988 – 1997



Source: *Health Care Plan Design and Cost Trends — 1988 through 1997*, The Hay Group, May 1998.

Healthy Families Program
Beginning with the 1998–99 fiscal year, approximately 580,000 low-income, uninsured children who are not eligible for Medi-Cal and are in families with incomes below 200 percent of the federal poverty level will be eligible to receive health coverage through California's Healthy Families Program. The Healthy Families benefit package is based upon the package of benefits state employees receive through the CalPERS retirement system. Using CalPERS benefits as the benchmark, the Healthy Families scope of benefits provides mental health coverage equal to 30 days of inpatient hospitalization and 20 outpatient visits annually.

Although the Healthy Families benefit package does not provide parity between mental health and physical health benefits, recognition was given that the scope of Healthy Families mental health benefits will not meet the needs of all enrolled children. Supplemental federal children's health insurance funds were appropriated for treatment services provided by county mental health programs to extend mental health services beyond the Healthy Families benefit package for seriously emotionally disturbed children. This approach, while an important step, will depend upon the ability of counties to match federal funds. A preferred alternative would be to offer an expanded range of mental health benefits within the Healthy Families benefit package without relying upon county matching funds.

Policy Recommendations

The health and social impacts of unrecognized and untreated mental illness and the difficulties of assuring appropriate, timely mental health treatment demand increased public policy attention. The following recommendations would significantly improve the mental health status of young people in California.

Children's Systems of Care. For children and youths with severe emotional disturbances, coordination of education, mental health, child welfare and probation services is essential. Expansion of the AB 377 Children's System of Care Model to include all counties and all regional areas and populations within counties should be a high priority for state government. The savings which have been achieved operating Systems of Care clearly document the cost benefit of these programs as well as the individual improved functioning and quality of life for children and their families.

Health Insurance Coverage. **In light of strong public support and the limited financial impact, health insurance plans should be required to provide coverage for mental health services at a level which provides parity with physical health coverage in regard to annual and aggregate lifetime dollar limits, the range of services provided, and cost-sharing, including copayments and deductibles.**

Medi-Cal. **All children and youths eligible for Medi-Cal should be enrolled and receive appropriate Early and Periodic Screening Diagnosis and Treatment (EPSDT) services to assure that their mental and developmental needs are appropriately assessed and needed services are provided. Moreover, EPSDT resources should be utilized to fund a mental health assessment process for children and youths served by the public mental health, child welfare and juvenile probation systems.**

Healthy Families Program. **Implementation of this new program should take maximum advantage of federal funds for coverage of children with mental health needs. Two important steps would be to expand family income eligibility limits to increase the number of children who can receive services, and to appropriate state funds to match available federal dollars — in lieu of relying on limited county resources — to assure availability of a full range of services for children with serious emotional disturbances.**

Increased Tax Funding. **Consistent with public support, increased funding for mental health services for children and youths should be budgeted in order to establish coordinated systems of care in all counties which address the mental health needs of all children and youths, regardless of whether they participate in Medi-Cal, the Healthy Families program, or are without coverage.**

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Special thanks to Dr. Areta Crowell, Director of the Los Angeles County Department of Mental Health from January, 1992 to March, 1998, for authoring this report.

This publication is funded by a grant to CCHI from The California Wellness Foundation as part of its Health Improvement Initiative.